

# So the economy is tanking: What does it mean? #TWT20

Fri, 9/4 10:31AM • 2:11:16

## SUMMARY KEYWORDS

capitalism, economy, question, debt, economics, banks, stevie, government, people, crisis, years, belfast, education, political economy, stock market, buying, sean, share, companies, happening

## SPEAKERS

Stevie O Nuallain, Charlie, Rachel, Zoey, Deborah Hermanns, Sean Byers, Lorcen, Gaia, Carmen

### **Deborah Hermanns** 33:42

Hi everyone, we're gonna get started now. Welcome to the first Friday of TWT 2020, and to, so the economy is tanking, what does it mean? My name is Deborah and I've got the pleasure of moderating tonight's sessions, I'm based in London, I work as a project manager for the Rosa Luxemburg Stiftung, a German political foundation with offices across the world. And we've just opened one here. I've also been involved with organizing The World Transform since 2016. And so I just want to use my platform very, very briefly to give a massive shout out to the organizers of this year's festival. I'm sure we can all agree that these are quite difficult and unpredictable times, so it's really really impressive that they have managed to pull off another really great festival of course digitally. This year, and you've probably heard this before, but TWT needs money, and the festival is free this year, but that's why we really, really need all of you to join the supporters network, if you can. So please do do have a look at [theworldtransformed.org/support](http://theworldtransformed.org/support) and see if you can become a supporter. I should also say that we will be recording tonight's session. So if you'd rather not be recorded, feel free to turn your camera off. Right. So tonight we have the real fortune to be joined by Stevie and Sean from Trademark Belfast for this session. Trademark Belfast is a small but really impressive organization based in Northern Ireland and doing work all across Ireland and the UK. Their work is based in trade unions in the community, they focus on political education anti-sectarian work, and also most recently campaigning for just transition. I was lucky enough to visit them earlier this year I think in February. And I think we spent five

hours chatting in a cafe because it was just so interesting and they had so much to say and I learned so much. So I really really hope that tonight you'll be able to learn from them as well. Before I tell you more about tonight's session. I just want to take five minutes to commemorate, David Graeber who I'm sure many of you've heard died tragically two days ago in Venice. David was a comrade he was an anthropologist and activist, he was originally from the US he was one of the founders of the Occupy Wall Street movement, and most recently, lived in the UK and was very very active here on the extra parliamentary left, and both writing a lot of articles, books and also just being really really active in struggle. I didn't know him as well as many others, but I did come across him quite a few times, and from our interactions, I can say that he was an incredibly lovely person really generous with this time he was never too good to help a comrade out and I look back really fondly on sitting in various University rooms in London and just plotting the next protests and the next occupation. And I just wanted to sort of ask Stevie just really briefly, whether you know did you read much of his work? Are there any particular pieces of writing that you can recommend people here give a read?

**Stevie O Nuallain** 36:46

Um yeah he was out to his partner and his family and his close comrades and the people who worked with him. Such a sudden death he was one of those rare people nowadays, an activist academic he certainly didn't hide away in his ivory tower. He was an activist before as an academic was also a very good academic as well and his contributions has been massive, particularly if anyone is interested in understanding, particularly the last 12 years in the global financial crisis is kind of his, his mighty tome that one on debt, if you haven't got it and get it and make sure it's in your you know your your library of books, fantastic contribution to understanding not just world history but also the emergence of capitalism and the role of credit and debt and all of that he teaches so well about the how debt fundamental for instance to colonization and imperialism and he is a brilliant example in early chapter of of that book. When France invaded Madagascar in 1895 they impose taxes on the Madagascans to pay for the invasion and Madagascar are still paying off that debt. You know 125 years later. Brilliant contribution and yeah, that book debt will be it will be with us for an awful long time unfortunately he won't.

**Deborah Hermans** 37:54

Thanks TV and yet sorted out to David's family and loved ones, and everyone else make sure to read and shares work to continue his legacy. All right, so tonight's session, and we work like this, I'm going to ask Stevie and Sean some big questions and they are going to take us on a journey through a presentation for around 40 minutes and helping us understand this unfolding crisis, its impact on the

economy, and how it relates to the ongoing crisis of capitalism, while they talk, please post any questions you have in the chat, and I'll do my best to collect them and ask them follow ups. You're lucky that I think I was specifically chosen to chair the session because I basically know nothing about the economy. So I will try my best to make a bit accessible and ask good follow up questions. And then for the last part of the session there's going to be some space for discussion and questions. We're going to try and have a bit of a discussion with 100 people, because that's how many of you that are so hopefully that'd be really interesting. Just, you know, another sort of caveat. We want everyone to feel welcome in these spaces you want everyone's voice to be heard, so please bear that in mind when engaging with the chat, don't use inappropriate, rude or unkind language, don't spam. And anyone who does violate those principles will be prevented from posting again and, if necessary removed. Alright, so I just have a question for you. Who of you have been to TWT in Liverpool before? Can you put up your hand. I'm going to change my view. If you've been to TWT in Liverpool before, put up your hands. Right. Quite a few of you. So, I think we all have very fond memories of the festival then in 2016 and 2018, and I'm sure you all remember the Black E the amazing, historic community and arts venue in Liverpool. I want you to imagine now that you've just spent two hours queuing in the rain it's a Friday night, it's not nice outside. You've been queuing in the rain, and like, just now a lovely TWT volunteer and when those black t shirts has let you in. You walked through the beach for entrance up those stairs, you know maybe if you're quick enough you went to the bar got yourself a drink. And now you're gonna sit down, you're surrounded by a hundred comrades in that really lovely venue, and you're waiting with expectation and getting so excited, and then onstage come Stevie and Sean, and so Stevie and Sean. Let's get started. Can you tell me a bit about yourself and why you think political economy education is so important?

**Stevie O Nuallain** 40:33

Yes Well certainly well thanks very much for the invitation and thanks so many people turn up and listen to our ramblings and rantings on a late Friday afternoon. If you don't have a drink in front of you I can assure you I do. It is the weekend after all. I want to share a screen with you and flash up some images as I talk and the benefit of that is you don't have to look at me or Sean for most of the most of the evening. We were asked to talk to you about, you know, so the economy is tanking and why and what the prospects are for next couple of years and Deborah mentioned that she wasn't an economist I'd like to add my kind of name to that list of people that aren't economists, sometimes I think they're the last people we should be listening to particularly as to the man and woman in 2008, the entire economics profession failed to predict the largest crash in the world economy in 70 years. And that's part of the problem is that we hand over far too much time and respect to a profession that is rooted in

a particular school of economics and what part of our role over the last number of years is to try to change that. In terms of who we are. Trademark is the anti sectarian unit of the Irish labor movement and over the last people you should really come to to listen to about economics our call roll, since our inception in the 1990s has been the peace process, and we - our core worker is really workplace intervention to deal with conflicts of a serious sectarian nature. We work with our offices based on the Falls-Shankhill Interface in Belfast, of course, which is where all trade unionists should be. You're more than welcome to pop in anytime you're in Belfast, feel free just give us a wee ring. That's the longest and biggest interface in Belfast it's a mile long and separates the British Unionist Shankhill from the Irish Nationalist Republican Falls. And we continue to do that we work with paramilitaries on a weekly basis and organizations that represent them both loyalist and Republican, and at work, we continue to do, unfortunately, but it is required. But all that kind of change in terms of our focus in 2008 with a global financial crash and we were approached by a number of people in Belfast, initially, who basically said like, What the fuck just happened? Can you explain to us what's happening in the world economy and we said no no, go back to your trade unions, go back to your branch go back to education offices, they'll tell you what happened because that's your. That's your, the place you come from and some of them did that and they came back to us and said no the union doesn't provide that kind of education so we kind of as trade unionists ourselves we both members of UNITE and have been for a long time, we kind of did a quick survey of trading in education. It was shocking to us to find that in, in too many places not gonna accuse everybody of not doing it in too many parts of the labour movement in Britain and Ireland. There was no teaching or courses on Economics and Political Economy, and it was kind of shocking really so we just did a survey, just to give you one example of the problem with trade union education. Suddenly shifted since but still not not too much and Vince Cable back to Union learning. I bet you I bet he does the skills agenda is fundamental to achieving economic growth trade unions have a powerful model in learning and reaching out to businesses, and giving individuals a chance. That is not the language of a movement set up to create, you know, working class power that could come out of an FE college. Trade Unions are not about individuals improving their ability to sell themselves into the marketplace, they're not places where you should come to build your CV, and yet that's what we become, and there's all sorts of reasons why that was the case over the previous 30 years. And that was one of the reasons we found why, when members were desperate for someone to explain to them what had happened in 2008, and since there was a huge lack of capacity in the labour movement in both Britain and Ireland to do that. So as a small tinpot organization in Belfast we've kind of found ourselves in a position of, we began - we put on classes in Belfast on a weekend that they were packed weekend after weekend. And then we began to teach all across Ireland and invitations from UNITE our own unit do the same in Britain, and I'll tell you there's too many parts of labor moving to art teaching

political economy and political education. And, and one of the reasons why was because too many people on the left have bought into that notion that there was no alternative to this system actually, there's no point really talking about it there's no point trying to build utopias now or talk about alternative economics alternative economies, we're just going to tinker with the system that's destroying the planet is destroying the kind of life saving elements of the planet so we thought that we need to delve a little bit deeper into that to talk about alternatives, and to talk about socialist economics, which is a thing, it exists, you can read books on it but none of it was available we felt in the trade union movement. And it came back to this idea that David Harvey, you know David Harvey they're the man in America he kind of articulated it really well he said that after the Chilean coup strong processes of neoliberalism have transformed the world transformed us to the point where all of us are Neo liberals, whether we like it or not. And to me that rings true in so many places that people who are on the left. Don't think like leftist anymore they don't think like socialists, they actually think like Neo liberals. It's as if the Neo liberal thinking and the myths of Neo liberals and that kind of embedded discourse has changed the way we think. And we have to we have to, to do things to do two things one is deconstruct that discourse, and the kind of brainwashing that has taken place, and rebuild socialist economics in its place. And that's what we've been trying to do. And that colonization of the left, and all of the political parties on the left as well I remember when he said that the Labour Party's intensely relaxed about people getting filthy rich, those are words that should never come out of the mouth of a party that represents the working class. And Thatcher knew it really really well, and she said it, and it worked. She said economics are the method. But she said what we're really have to do is change the way people think and feel about the economy. And if there's a reason why there are too many millions of working class Tories is because the last 30 years that they've spent creating that. And I mean, that's one of the things to remember they've been at this for decades, and we're only starting now really to at TWT and others in quite a small way I have to admit, trying to turn back 40 years of indoctrination by neoliberalism into how we think about the economy and the kinds of neoliberal discourses which which replaced our own common sense. And so if we're about anything is replacing kind of right wing hegemony money with left wing hegemony so that when people think about the economy they think about the economy as socialists, not as capitalists. Another problem we have is that the academy has also been colonized by right wing thinking, particularly by a particular school of economics neoclassical economics, which kind of doesn't teach anymore they've been demonstrators I know in Liverpool and Manchester over the last 10 years about how economics is taught in university and people were angry that all they were getting was neoclassical economics and what they were being taught was how to manage capitalism, they weren't being taught about Keynesianism or Marxism or substantivism or feminist economics or green economics, it was just neoclassical economics which was kind of overly

focused on micro economics theory of firms, the theory of markets, to the point where in a Queen's University in Belfast who kind of where we are hinterland they changed the school of economics to the School of Management, and I told you everything you need to know about how the ideological shift takes place in academia, and there is an image of a neoclassical economist in 2008, you know, looking in the wrong direction and asking the wrong questions, and you can maybe another better image is imagine yourself standing on the, on a beach looking inland, and you're looking inland at Forest on a summer's day with a burst we're in the trees in a nice gentle breeze and the economist says look at the economy, it's doing fantastically and it's the all the fundamentals of the economy are sound. Meanwhile behind him or her, out to sea is a massive fucking tidal wave coming in and in 2008 that tidal wave was one of finance, of debts, of banking. And of course, all the mathematical modeling done by these neoclassical economists, ignore debt and finance and shadow banking, so they couldn't predict the crash because they weren't looking at it. And I'd argue that that kind of thinking has also colonized too much of the left including the labor movement and Samir Amin says it best i think you know economics is not a theory of the real world or really existing capitalism but of an imaginary capitalism is not even a rigorous theory of the latter it is a para-science, closer in fact to sorcery, than to the natural science so the first thing we do is stop listening to economists, particularly the ones who are in the press every day on a TV I don't watch bbc news when when an economist comes on because they usually from the finance house from the City of London anyway. And our job is to, I suppose. Start reconnecting ourselves to understanding how the economy works as we did for decades for 150 years a friend of mine told me last week. In an article. He said there were 300 miners libraries in Wales in the 1930s. There were worker discussions or miners coming off shift to reading capital. We've lost all of that we've lost all of those institutions, so we have so much to rebuild and we're at a low eb. Mainstream economics, which dominates everywhere press and academia, political parties is increasingly divorced from reality and we're going to go on to that in the next session, but it does provide a convenient cover to make capitalism look like a natural system so capitalism, what it is what it means where it comes from, where it's going, it becomes invisible so you can't even talk about it. I remember 15 years ago, where you'd have been chased out of the trade union office if you mentioned the words capitalism and class, you couldn't even mention the words. And it's a deliberate result of the need to avoid considering the reality of the economy, and where it's taking us in terms of climate breakdown, and indeed civil civilizational collapse by the end of the century mainstream economics is kind of its misdirection at best is propaganda at worse I'll give you one example I tried to find the figures for the UK but I couldn't have any figures for Ireland and and America but one of the things capitalism promises us is competition, brings great results competition, reduces the price of consumer goods. We love We love shopping we love we're all buyer identity is more of consumers now than workers and so you can go into a pound

shop. You know we're 20 quid and come out two bags of crap that will be on a landfill site within a month, but you've consumed and you're part of that system and you've enjoyed it. And those kind of lists there of clothing and phones and software and toys and household furnishings, the price of many of those things has actually come down quite dramatically over the last 15 to 20 years and capitalism turns around says we've. There you go. We provided for you, our competition made the things that you want to consume cheaper. And those things we kind of want, but you could ask yourself do we need them. Do we need those things you could probably live without some of them, then you ask yourself another question what do we need to live and ask that question to the people around you in your in your workplaces in your home What do you need to live not what you want, we confuse want and need too much in this society, or what I need to live. I need a house. I need a job that pays me Well, I want health care for my children. I wouldn't want a pension wouldn't be a bad idea. I would like free education for my kids, and then you ask him what's the what's the cost of those things. What's happening to those things, and those things are being handed over to private interests they're being privatized and what's the cost of them. The cost of them is rocketing. The things we need we've taken our eye off the ball we've been seduced by consumer capitalism. Meanwhile, the things we actually need to live. We can't afford and are increasingly beyond too many people. But there is a chink in the armor that was a chink in the armor in 2008 and that was the collapse of capitalism that was a collapse of financial system at one point something like 60% of world GDP was being coordinated to prop up the financial system and they say there's no money they say there's no resources for just transition for a green New Deal 60% of the world economy. At one point, was being used to prop up a collapsed financial system. And that was the front page of not the front page of the business section of the FT. And it actually asked the question, the future of capitalism they're a fact they had the capitalism that C word in the FT was, was a shock. It's always the economy. They were worried they were shitting themselves in 2009, by the way, the credit crunch has destroyed faith and freemark ideology. But what should replace it now you couldn't even ask that question in the trade union education room 15 years ago, but the FT was asking it because they were concerned. And so there was an opportunity, 12 years ago for the left to organize around the fact that the Emperor. The Emperor wasn't just naked the Emperor would bollock naked, I mean the Emperor's New Clothes you could point at the inadequacies of this system, and we missed that opportunity massively. And we have another opportunity, in the midst of the COVID crisis to point at the same contradictions of this system and why this system is not the system is going to take us through climate breakdown to some sort of sustainable future. The question is whether we're going to miss another opportunity. Are we in a better place now than we were in 2008, maybe get a question about that later. And when you look through that that period of 2010 that that wee opportunity opened up and it's still kind of there i think you know the very fact that Karl Marx

and Das Kapital was being mentioned in the public press. Even the BBC had a Marx popular amidst the credit crunch. 150 years of Das Kapital how relevant is Karl Marx today The Guardian, even had the words Karl and Marx together and the headline. Why the ideas of Karl Marx are more relevant than ever in the 21st century. Spectator face it Marx was partly right well that's nice. At least as Rowan Williams he knows a lot about Marxism, but the very fact that there were there were kind of tackling these questions because the system that they supported was crumbling around them. In America, not as on the ball at least they're asking the question who was Karl Marx he was this geezer but my favorite is foxnews millennials agree with Marx more than the Bible so there's hope yet. you know. And so that's the questions we asked ourselves over these last few years and we've been working with others in the labor movement particularly in NGOs like what's our analysis of what caused that crisis and how do we teach it to people, and also what's our transformative vision of the future. There's no point in just critiquing the system it's easy to do, particularly at the moment because it's falling apart, is there is there a road to a better future and what what it might entail. How do we communicate it, and there's an total absence almost, apart from TWT another another couple of fine examples, there's a total absence of activist political education in working class communities in Britain and Ireland. It just doesn't exist. It might exist in pockets, I don't even think it exists in pockets, actually, it's just not something that we have anymore. And the only way you're gonna build left hegemony, and build a social movement where left wing thinking becomes people's common sense understandings of the world is by doing this by being physically present in working class communities talking and teaching about economics and running assisting with campaigns. So our job job of all of us on the left is to is to democratize economic knowledge, now it's not the only job is just one of the building blocks of the things that we need to do we need to give people the language and the analysis and create a cadre of activists who know, I can talk and can go into in Britain to into Grenfell, into the red wall, and be in community centers and talk about economics, and more importantly, get people to understand what it is we're saying. Adiditya Chakraborty did a great article a couple of years ago when he kind of interviewed a load of people who were trying to do that up in Manchester and there was Momentum ones involved those UNITE ones involved as Labor Party activists of all, and they were teaching economics to say ordinary people with an insulting term you know what I mean, when you teach economics to people, it changes their view of the world. It's that simple. And it is that simple. And so that's our project that's our role is political economy for the masses, how do we do that how do we how do we rebuild those institutions that used to do it when they've all been washed away the labor movement has a role in this, the Labour Party has a role in this and activists across across Britain and Ireland have roles in this. And we were lucky to be able to pilot a kind of mass political education program in Ireland. Five years ago we had the beginnings of the right to water social movement, the biggest social movement in Ireland since partition

100 years ago. Hundreds of thousands of people in 8 massive marches, it would have been equivalent to like the Iraq War March, the anti-Iraq war march in London like would have been equivalent like 2 million people marching on London. And it was about preventing a false installation of water charges, meters charges and the eventual privatization of the system we got the chance to work with organic working class activists across the length and breadth of Ireland in pubs in sports halls, in church halls, for a couple of years on end and we were everywhere across the country, working with people that weren't left wing that weren't involved in left wing parties that were antipathetic towards the trade union movement, and actually a little bit on the right, most of them, that just didn't want to pay more taxes that was the actual, that was the kind of the resistance was coming from. And we had a huge impact on that then the political education what we then had a huge impact in giving that movement, a kind of ideological framework to hang their resistance to water charges on and give it a kind of left wing steer. And that's kind of one of the examples of how we can do this. So, yeah, that's kind of how we came to political education, we're still involved in it. And we're involved more with UNITE in Britain helping UNITE develop their political economy classes, especially schools in Ruskin and other parts and the UNITE political school up in Durham, but I'd argue again not enough of it goes on and it's a real problem and the more we ignore the absence of political education the political economy, the worse things are going to get. It's something that always falls off the agenda at every political party or political movement meeting I've been at his education, and they were talking and celebrating the work of David Graeber, a man the new it's both it's education and activism together. Right, that's my introduction, I'll stop that now, Deborah. All right.

**Deborah Hermanns** 57:38

Yeah. That was great. Thanks so much. And yeah, I cannot recommend enough sort of people checking out what Trademark do. I want so stay on the section for too long because I know we've got like the main part to come. I just wanted to ask you one question that came up in the chat from Jessica, which a few people said they're sort of interested in hearing about. And so, Jessica was wondering, how do we have open discussions with friends on this topic. If those friends still have the view that the economy as it is now is a system that works for everyone. So basically, how do you open up these conversations at Christmas or

**Stevie O Nuallain** 58:14

yeah and not fall out with all of your family and your friends here I'm not to sure and I've fallen out with all my family and all my friends. It's a tough one, but the first, the first thing you do of course is become used to arguing it's easy for us because we're at all the time it's like our full time job so the more you

argue with people, the more you discuss these issues with people, the better you become at it. And so that's that's one of the skills you develop. But it's a tough one. I come from a background here in Northern Ireland where my first 10 years in this game was talking to people about prejudice and discrimination and racism sectarianism, and that's not easy to do either so maybe us going through that made it easier for us to talk about something like economics would seem so easy. But you're gonna fall out with your friends and you're gonna fall out your family. That's really it. There's no other way, unless you know that it's gonna happen, unless you can win them over. I don't know if you can come in on that one Sean but the more you do it, the better you get at it, you know, and the more articulate you are the more knowledgeable you are there's no, there's no shortcut for education, there's no shortcut for knowledge, that means reading it means studying. We used to have a proud tradition the working class, didn't we have self education. You know, making sure that we were armed against that system by educating ourselves, and we've kind of lost that a bit I think.

**Sean Byers** 59:25

Yeah, I suppose it's just add to what Stevie says it's not easy, and you will fall out with people but the point that Stevie makes a big trade unionist shops Stewards used to be pillars of the community, you know, the weren't just workplace reps, but they were experts in housing and in healthcare and the economy on so on, and they're able to sit down with their friends or family sit down with their colleagues in the workplace and thrash out those conversations, and you find, you know, you find that a lot of the time you will win people over, you sit over a pint you approach it from an empathetic sort of perspective. And just thrash out the conversation you will win people over. And you know, sometimes you will get people to come around to the position that is what we need is that the guillotine and, and pitchforks and all that sort of stuff like

**Stevie O Nuallain** 1:00:13

my local boozer is a, I live in rural Northern Ireland, the local booze is quite republican quite Catholic. Very working class are all farmers it's practically a Soviet state. And so it's possible.

**Deborah Hermanns** 1:00:27

Are you crediting yourself for that

**Stevie O Nuallain** 1:00:29

Absolutely. One hundred percent.

**Deborah Hermanns** 1:00:32

All right, to part two. I think we're moving to Sean. Sean, can you tell us a little bit about the economy, how it was pre COVID, and what impact you think coronavirus has had.

**Sean Byers** 1:00:48

Okay. Two seconds. Suppose I should just start with saying. One of the things that happened around the time of the financial crisis, is that you had, so called experts mainstream commentators economists all the people you see in the TV now trundled out to tell us that this crisis was unpredictable. It was unpredictable, you know, it was a once in a generation crisis, and then later that it was a crisis of, of public spending, see someone has raised that in the chat. Now there was some resistance this. Stevie pointed out that you know there was a brief questioning of the system and the narratives that we were being given, but ultimately that is the narrative that won out. And unfortunately, even the Labour Party combined in opposition, that there was too much public spending, and that's what needed to suffer. This time around, it should be easier. You know to point to the inadequacies and the contradictions of the system, especially if you're that that generation of people who have, you know, who have been at the sharp end of now two major economic collapses, not just one but two. But there is a danger and I think we can see this happening already, where the same experts and commentators are being trundled out, and there will be trundled out once the public health aspect of this pandemic recedes and the sort of line we're going to get is, again, this was unpredictable, unpredictable, and it was an external shock to the system that caused the economic collapse and otherwise things would have been would have been fine. And I think, you know, the go back to Steve's point we need to start countering that narrative right now. And we need to start by start deconstructing it and we need to start by understanding that the global economy was already in the early stages of downturn, before the pandemic even hit. So, this this screen here this this is the IMF. In October, 2019, and this is well before the pandemic hit and this is the IMF basically saying, look, lads where we bet too optimistic in our last forecasts, we've had to revise them down again. I'm we're gonna what we're going to say now is the slowest pace and global growth since the financial crisis. Stevie. This was another one. now, the problem with this is that there wasn't there was an outlook, that it wasn't the first time this had happened. And you talk about Stevie talks about so called experts and institutions that get deference that they don't deserve now IMF is one of those institutions. The problem was is that the IMF, since around 2010. I've been repeatedly getting things wrong repeatedly. The kept having to revise their own forecast because they're always too optimistic they were saying things are going to get better, you know, brighter days are just around the corner. On the next year there have to say no obviously the world, things are things are going to get worse before they get better. And they did that consistently

over the period of 10 years, so that that article or that was the deputy director of the IMF, basically saying that the IMF doesn't know what it's doing. The former deputy director sorry, and it's going through a groundhog day. And the reason that has gone through that is because it's feeling they understand the underlying weaknesses of the global economy, and those are low private sector investment, a massive buildup of debt, we'll look at that in a second, financial instability, and the lasting impact of austerity, which is really strangled off any hope of a recovery in Britain and the Eurozone. So, the eurozone was really stagnating since 2008, 2010 and people say, you know, the Germany was the exception Germany's widely regarded as the as the driver of economic growth in the Eurozone. But even in Germany things have started to go into trouble. Since around 2008, 2018 sorry articles started appearing, saying, No, I think, the German car industry German manufacturing is actually in recession, and there's plenty of evidence to point to that, and basically the reason why is that no one was buying German cars anymore and the German economy was in trouble so if you want to understand why the European Union was so keen to, to get the Mercosur trade agreement in place with Brazil, it's because Germany needed to sell more cars or otherwise it was going to be in trouble. And this is well prior to the, to the pandemic. Growth in China had also slowed down, you know, part of the reason for this was an escalating trade war with the, with the US, so it was only one factor. And part of the part of the reasons that China was running out of room for public investment, you see that the, the massive investment program that China introduced in terms of roads and rail and infrastructure, and so on, and it was running out of room for that investment and Chinese consumers are also spending a lot less on when you're talking about Chinese growth slowing down, and you're talking about a slowdown from about 8% to 3% annual growth. And that's not a massive problem for China. But it is a problem for all the economies that are dependent on China for, for exports, so you look at Australia, for example, that, that gives China a lot of it's data, the demands are there that's, that's enough to push Australia into recession, and that's what was happening. Now if you've been reading Bloomberg or the Financial Times or The Economist - and you should be, we would advocate that the left wing activists socialist activists should be written the Financial Times, and these other papers of the capitalist press - you would have picked up on another sign that the economy was headed towards a major collapse. And that's the issue of private sector debt to corporate debt alone, and by corporate that I mean that's companies actually producing and selling things, doubled to 74 trillion in the decades since the since the financial crash, and to put that into perspective that's, that's an entire equivalent of global GDP. So what this says is that any recovery and it was a weak recovery experienced by the private sector, it wasn't real. It's totally fictitious It was built on sand, and it was always prone to collapse. Steve Kean who's a, who's a left wing economist. Some of you might be aware of them. He predicted the last crash, and he predicted this one. He said that corporate debt is the elephant in the living room of economics.

So it's the thing that threatens to upend everything its a thing that threatens to bring down the entire global economy, but it's also the thing that mainstream economists refuse to talk about. And we need to be, we need to be talking about it. And one of the features of this sort of exploding corporate debt bubble is the rise of so called zombie firms, don't know many people who's heard have heard of zombie firms. But what these are basically firms that are dependent on the high levels of debt, they're dependent on the low interest rates and bailouts, and if interest rates go up they're their fucked, basically. They can only service the debt so they're just borrowing and servicing the debt they're not paying off any of the debt itself. And prior to COVID 8% of all UK firms on 10% the whole OECD firms were zombie companies, you know, there are companies that are just borrowing to survive, they weren't making any profit that weren't making they weren't investing, and they weren't making any progress. There's borrow in there survive, that's pre-COVID, you know margin what the percentage is now. And the institution's lending the money were just piling shit upon shit upon shit the institutions lending the money to the business sector were also in trouble. So you had a lot of banks who hadn't even properly recovered from the last financial crisis doubt in the financial sector is actually much higher than it was in 2008 and McKinsey, the big global consultancy firm was saying on October, that half of the world's banks were too weak to survive an economic crash. So, in which case what you would see is a repeat of last crisis on a much larger scale takeovers, bail outs, the too big to fail sort of sort of problem and that that was what was coming down the line, and could be coming down the line. And to make matters worse, it's not just the banks that are in trouble, we have a massive shadow banking sector to contend with. So the shadow banking sector for those of you who might not know is totally unregulated institutions that basically act as loan sharks for businesses speculators, and even, even lend to the banks themselves, the banks can't get credit from other banks so they go to the shadow banking system. The shadow banking sector is 75% bigger than it was at the time of the last financial crisis, just massive like estimates are saying that the shadow banking sector accounts for up to about half of the entire banking sector, so that's half - like half the entire banking sector is totally unregulated and just behaving like loan sharks, and if it were to collapse, and it will, you can imagine the trouble, that's, that's gonna cause. So, the result of that if you look around year for it. If you read the right papers if you read the right publications if you look in the right places you saw that all around us, people were predicting, and another, another financial crash another economic downturn, financial crash banks predict meltdown in 2020, the next financial crash, has already begun. It'll be worse than the 2008 crash - economists were- the next global financial crash. Well, strike into 2020. the Warrens investment bank, JP Morgan, JP Morgan are even warning about it. There's there's, there's no end to these headlines. And then - so we had all these predictions, we had all this massive shit heap - and then, the, the COVID pandemic hit. Of course, the initial, the initial reaction was the Wall Street stock

market crashed, along with the stock markets across the advanced capitalist world. The stock markets then start to rally. And why is that? Because - we're gonna go into this - actually rates on the same day that the announcement was made that the economy has been hit much worse than people initially expected by COVID, the US stock market had an all time high. So like the economic reality on the ground was totally divorced from what was happening in the stock market. And the reason for that was the, the nature and the scale of government interventions, of the interventions of central banks they intervened in a scale that was this totally eclipsed their interventions at the time of the financial crash so the ECB for example, started buying up government and bank on corporate sector debt. They initially their program was something like 700 billion, They since doubled that and extended the June, 2021, and they'll probably extend that more because it's not going to resolve the contradictions at the heart of the Eurozone. The Fed did the same thing they said we're going to purchase an unlimited amount of government debt. And, you know, we're going to keep buying and as long as the stock market needs it. They're previously set a limit of 700 billion the said nah crap that, we'll just go for it here. The Bank of England - closer to home - The Bank of England's quantitative easing program, some people might remember introduced quantitative easing program at the time of the last crash. And that's, that's basically doubled in response to COVID, so you have the Bank of England purchasing government bonds and buying up government debt and, you know, in order the government contract out and, and you have certain people starting to ask the question well. And there's there's people say that the know the sort of the veil has been lifted on the narrative of austerity and the arguments for austerity, were a total myth. And you had the argument that the Bank of England couldn't finance the government, the central banks can't finance governments, and now you have, people responding, saying well actually I think that's what's going on. The Bank of England is channeling money directly into, into the government coffers.

**Stevie O Nuallain** 1:15:11

And one of the things to remember about that is that Britain's quantitative easing program Britain's response to the Covid crisis as Sean said, is to not just buy back its own debt from bond markets now think of that one. It's really important, it buys back its own debt so the government's buying billions of pounds of its own debt back off the bond markets, and then it's putting that debt on the national debt. Now ask yourself this question if you owed yourself a tenner What would you say to yourself? You'd say, don't worry about it, that's dead, you can say the government could cancel the debt it's buying in these bond markets, but what he's doing is lumping onto national debt giving a false impression of the amount of money Britain's in debt to so that legitimizes austerity 2.0. I mean Japan for instance is the most indebted government in the world 250% debt to GDP ratio, Japan owns half its own debt. It owns -

120% of Japan's debt is owned by Japan itself by its own central bank. So really, that's no debt at all. It's just a fiction, and it's a fiction it's amazing how big this lie is. I mean, the bigger the lie perhaps the easier it is to tell, Japan, the debt to GDP ratios only about 120%. It's not 250% because it owes that money to itself and the bank and those those governments could cancel that debt it's choosing not to. Britain is now doing exactly the same thing as running up a debt to sound bank, but it's pretending that it's borrowing that money from private investors, when it's not. A reason let's pretend every now and again it slips out in the FT that this is actually what they're doing, but then economists Come on TV and tell a different story, which is in fact a lie, which is that this money is being borrowed when most of it isn't being borrowed at all, but borrowing allows you to go back to that household budget myth of Margret Thatcher that banks after, sorry, countries have to behave like households, when they don't, they never have had. I mean if you read the David Graeber book, it's brilliant on that stuff in January 2015 the Bank of England paid off the debt to the, to the slavers following the abolition of slavery and in the same month of January 2015 it paid off debt borrow from the Bank of England to deal with the Irish famine. The lies are so big and and they're being promoted and retold and embedded in public discourse so when you do go to your mate and talk about the economy. Those kind of embedded narratives, become their common sense, understanding of the world and it's tough for us but we have to deconstruct those arguments. Sorry Sean carry on.

**Sean Byers** 1:17:25

Well all I could say is just add to that, I mean, we wouldn't even need to cancel the debt. The Bank of England could keep up the pretense that it's gonna call the debt in. And it's never going to call the debt in, but it keeps, keep up the pretense forever like and say no more about it.

**Stevie O Nuallain** 1:17:42

I think that's where we were supposed to stop, isn't it Shawn.

**Sean Byers** 1:17:52

Aye, well, nice little break.

**Deborah Hermanns** 1:17:59

not prepared for the break. Sorry. No no no oh good,

**Stevie O Nuallain** 1:18:03

we'll just make it up as we go along.

**Deborah Hermanns** 1:18:05

I was still trying to understand what you just explained about the debt. I guess what what doesn't go into my head is how are they allowed to lie about that? Like how do they get away with that?

**Stevie O Nuallain** 1:18:18

I mean there's so establishment media isn't I mean if you if you google just type in and when we finish this Google, Bank of England's over monetary financing. The old direct monetary finance DMF Bank of England, and it will take you to those financial times articles which admit quite openly that the Bank of England is financing government spending. Now don't get into all debate about a modern monetary theory, that's a debate for another day. About how government finances actually work versus how we're told they work, but there's absolutely no doubt that one of the biggest myths of neoliberalism, is that governments have to, you know, pretend their household and balance the books and that deficit fetishism was the Labour Party bought into incorrectly, in my opinion, and they bought into it because it's a hard sell because as you said that it's hard to explain to people. After 30 or 40 years of these narratives being sold to us all the time that we have to be it's counterintuitive for most people. And if you say to someone that the government has to balance its books people get that it's a nice story it makes sense because they have to balance their books at home, but I mean countries are not households countries are always in debt, states are always in debt and have been for 300 years, since the invention the banking, it's a huge myth it's one that we have to deconstruct, and the only way we get to do that as activists is through good political education and Political Economy education, there's no shortcut to that stuff. But yeah, most of the government debt that's running at the moment isn't debt at all. It's a fiction, but it's really useful when you're trying to sell austerity 2.0 isn't it. We haven't got any money. We can't afford it. But they can, and there is plenty of it.

**Deborah Hermanns** 1:19:50

So talking of potentially not being able to afford something but then doing it anyway. Linda was wondering earlier, whether the state is going to bail out the banks again. And whether that sort of dynamic of 2008 whether that's something that would happen again in this crisis, and maybe just one, one more question that came up in the chat and they're quite separate and Nick was wondering what's going to happen with the stock market, given the economy the real economy is tanking like how do the two sort of relate to each other in this crisis.

**Stevie O Nuallain** 1:20:25

I'll answer that question in the next little bit maybe we've got a bit on that rock and I can directly answer that question for you if that helps.

**Carmen** 1:20:32

Right, yeah. And I suppose the next section might point to the answer to the first question as well. All of the interventions by the Bank of England and the British government in particular have been directed towards you know propping up the banks, the financial sector and the stock market, and all of the intervention Stevie's is going to show how like. But all of their intervention so far I've been directed towards that. Now, so far, you know, I haven't seen any indication that the British government is interested in bailing out the banks, as such. I think they're basically saying that they can fight it out with, with their debtors. But, if things get a lot worse, and I suspect they are going to get a lot worse, you could see that sort of intervention I don't think that quantitative easing program that has been introduced in Britain in in Europe and in the US is over. I think we're going to see a massive expansion of it, and it could be extended for for a long time as long as this sort of crisis lasts.

**Stevie O Nuallain** 1:21:47

Well, I'll take it on from they'll try and answer that question to come up on a sort of a question there about what happens when the stock market becomes so separate from the real economy from the productive economy and of course that's what's kind of happening. I suppose the idea is when, when, when does that happen on that can we predict it. And one of the questions you wanted to kind of ask is where's the money that QE is producing, there's two questions there: one is, if a government's buying back loads of debt from the bond markets, where does it get that money in the first place there's a little secret question if you're going on to your sales. If the government's buying back billions of pounds of QE, where's that money coming from. Well, it's just creating it at the Bank of England and it's just going into the markets and buying money that's always money when the government in charge of its own sovereign currency wants to create it. And what's happening to the money that's being pumped into the stock market is the question. Where's that money going is it trickling down even to the real economy. What are they doing what are these finance houses and big companies doing with the money. And hold on let me just.

**Deborah Hermanns** 1:22:44

read you man just talking about slower.

**Stevie O Nuallain** 1:22:46

No, of course I will. I'll try, but I'll speed up inevitably. One of the things that's been happening within the capitalist system for the last 20 years is a form of stock market price or share price manipulation called share buybacks on American stock buybacks, up until the 1980s they were illegal. Now, they take up a lot of that there are kind of mainstream response of large companies so what is this what is a kind of a share buyback as the question and what does it mean to the economy and we don't have the figures yet for the money that's being pumped into the stock market but we can kind of take a guess of what was happening before COVID pre COVID as to what's probably happening now, around the world about the about 60 stock exchanges around the planet and they're worth about \$70 trillion of value at the moment. And people have been talking about Jeff Bezos and how he's doing really well at the moment how he's worth 190 billion and that his personal wealth has gone up by 74 billion during COVID and so on. But the reality is most of that wealth isn't real. I mean, as Marx tells us it's fictitious capital it's only real when they realize the dividend at the end of the year until that point, an expansion of the share price if you like is dependent on the idea that at the end of the year there's going to be production and profit to pay the value of that share. And the reality is the bulk of the growth of Amazon isn't actually necessarily based on actual productivity. It's based on people's perceptions and feelings about how well Amazon is doing and that's driving up the share price. Fictitious capital, like, owning a share is a fictitious capital owning debt is fictitious capital only becomes real when it's paid out. I mean fictitious capital kind of represents a claim over wealth is yet to be produced, and that's the link between the stock market and the actual economy that productive that we working in factories across the world. That has to produce profits in order to realize the fictitious nature of the share price, you know, and the expansion of the share price therefore the expansion of the stock market the bubble that's growing. It's kind of implies a growing kind of preemption of future production and future profits. So it's a huge risk is a huge bubble it's a massive pyramid scheme. And much of that growth and share prices is people borrowing from the shadow banking system to invest in low shares. So it's like extended chains of indebtedness across the globe. It's a massive pyramid scheme that can only end up collapsing. And that's only mean debts, bonds, gilts, credit default swaps, i mean, collateralized debt obligations there's a dizzying array of new financial products but all they are really is debt upon debt upon debt, people borrowing to speculate and share buybacks is one of those so a company goes into the stock market and buys back billions of pounds worth of shares of its own company now what's the result of that, well it synthetically artificially pushes the share price higher because there's less of those shares being publicly traded therefore they become worth more. It benefits top executives of course they love it why because most of their salaries or income or packages are tied into the share price. So if the share price artificially rises because they're buying shares back and leaving less in the market, their wealth goes up, and it makes the company look more successful. Artificially. And if that isn't bad enough, most of

the companies were buying back their own shares from the stock market to artificially raise its price are borrowing the money to do that. Therefore, further indebting the company, while speculating on their own share price. You can see why this used to be illegal because it is of course stock market manipulation. This is what capitalism is up to at the moment. And this is where that QE money's going, the billions to trillions of banks across the world are creating is going into finance capitalist speculation not going into the productive economy, and share buybacks make no contribution to the productive kind of capabilities of the company at all. And if there's any rise in the share prices in that 12 month period. Dividends are paid out to shareholders, so they make money based on it. The result of course is increased financial instability and the kind of locking in a future crisis in our system and that's one of the things that's a share buyback, and the also buybacks being funded by bonds is up to was was 40% pre COVID. They're now getting QE money for free, so using QE money now to just buy back their own shares and falsely raising the stock market price. Even the IMF that shite organization is referred to that constantly gets things wrong they predicted last year that debt funded payouts is debt funded buybacks or shares or extreme financial risks taken of the top 500 companies in the Standard and Poor's 500, 52% of their net income is engaged in stock market manipulation. So when we look at the stock market and when you see it at the end of the BBC News before the weather comes on and they show the Dow Jones it's actually and the FT. They're giving a false impression to the world economy - none of its real. It's not true, but it is sucking wealth out through financialization through our indebtedness into pay those profits and dividends, to the point where it collapses. To give you an example of how this is happening in the middle of COVID this is the only one I could find for last week August 19 Intel, the big tech company engaged in a \$10 billion share buyback on its own last week on the 19th, and it borrowed the 10 billion to buy its own shares in the hope that would give its share price a bump, and were therefore attracting investors to buy it shares and bump the company up, what happened? The next day, in the same paper buyback isn't a strong enough signal - it didn't work for them, the share price didn't increase enough, the company will in the quarter would net debt topping 20 billion. So the stock market is increasingly divorced from the real productive economy, it's massive speculation, it will collapse, and all of the banks that are funding that speculation will also collapse. And to answer the person's question. Will the states bail out the banks? what do you think? We did it once, we'll do it again. And we do it almost every time as we're doing with QE without any conditionality, we're just giving them the money here let's have some cash of have have have the next 20, 30 years of what our investment would have been in schools and hospitals and up and the real productive economy. The other thing one other example of what's going on with the QE money, and with this state fiscal stimulus the central bank stimulus. The top there's loads of stories on this graph at the top graph fossil fuel companies the blue little, and the blue bit there is their actual contribution to the UK, gross value added if you like what

was GDP, the pink is how much they're feeding at the trough of quantitative easing money. We know that fossil fuel companies are right in the middle of all this QE money, taking free almost free public money if you like, and using it to invest in fossil fuels, in the middle of the covert crisis all these stories about don't get a car to work get a bus work from home, it'll help her. Meanwhile fossil fuel companies are taking state central bank money to speculate on fossil fuel markets. Pre COVID, we don't have the figures was having a moment to show you what kind of the results that will be coming out after this, the amount the oil and gas industry is set to spend the next 10 years on exploration and extraction is far it's basically 5 trillion. So that will increase that figure, so this idea that we're going to working towards some sort of promotion of alternatives to fossil fuels is a nonsense. The companies involved in fossil fuel extraction and burning and investing, all of their money, including this quantitative easing money in fossil fuel extraction. Says the Paris Agreement 33 Global banks, half of which are on the verge of collapse have provided 2 trillion to fossil fuel companies. And what are they planning for what a BP and shell planning for a report was leaked last year, and currently they're planning their economic planning, they're going into rooms to tell their shareholders, lads lasses, we're planning for a 5% global warming, which is the end of human civilization in case you didn't know, that's what fossil fuel companies are doing, and we're helping to fund it was a way I mean the state the British government's helping to fund that. So that's the problem with the fiscal stimulus as Sean is going to tell. This is far removed from state socialism, this is not Keynesianism, this is propping up the capitalist system from collapse. Sean you want to carry on with that one, mat. just carry on should run out of time on me. Yeah. Okay. Okay.

**Carmen** 1:31:12

So Stevie's covered the stock market, the financial sector, just to say just a minute Steve he says I think the recent estimates are 500 billion of state stimulus worldwide as a response to the COVID pandemic has gone the fossil fuel companies. 500 billion alone, in the last few months. So like it's not slowing down. And unlikely so I saw that someone had put on a comment there around your the lack of conditions attached to the government bailouts and QE and that's right like that's across the board. There are no conditions attached, whether you're dealing with airlines, whether you're dealing with airlines, who are sacking thousands of workers, or you're dealing with fossil fuel companies who are killing the planet, there are no conditions attached. But back to the real economy. So we said that the COVID has sort of what what it's done is it's sort of consealed the, it's consealed a pre-existing crash a pre-existing crisis. And it spared the blushes of carpital in many senses, like, because it's not as easy to point to, but the same time is kept the global economy over the edge and this ensured that it says a severity is much worse than than anyone could imagine like so. We know that you know the UK

has been hit badly spin has been hit badly, Portuga. These are companies with weak state, state capacities they're, they're companies that are heavily dependent on heavily dependent on sort of consumer spending. And there are countries that have implemented that very slow lockdowns. That's an interesting thing that's emerging or that the number of cases and fatalities linked to the, you know, the the economic picture. Across the Europe like across Europe in particular, the countries that are already at were already in trouble, are now really, really struggling, Spain and Portugal and Greece, and so on. So it's been much worse than anyone could anticipate it and the so called V shaped recovery that that a lot of people talk about simply isn't on the cards. It's not happening. All of Europe's major economies are flatlining UK is included. And, in fact, the UK is doing a lot worse than when it's, it's, you know, pairs.

**Sean Byers** 1:33:58

And this is massive like half of the jobs that are created in Eurozone since the last crisis, have already been lost. They're gone. And that's not people furloughed, that's jobs lost. So you think of the scale of the crisis that's that's emerging and the impact on the southern periphery is going to be fucking devastating. We've yet to see the impact on the global south, but if you look at India for example, you can tell that it's going to be pretty severe. Many countries are facing like a doubling of unemployment effort when the furlough scheme comes end, and obviously the UK. The furlough schemes coming to an end very quickly. And we're going to see a massive, massive jobs crisis. Other countries are to follow whenever whenever their furlough scheme or job retention schemes end. And all of the same countries are facing a massive evictions crisis. And these are all government choices, this is this is a result of pre existing policy choices, pre existing government agendas, and the result of the choices that have been made by the government with the resources at its disposal, and Stevie's outlined, the government has massive, if not unlimited resources at its disposal and has chosen not to stave off an evictions crisis, they've chosen not to provide guarantees for people who are facing unemployment. These are the choices that have been made. And I thought I'd just finish with this because this is this is recent, you know, this is as recent as we get, this is the financial times this morning. And this sort of indicates what the government is thinking. Some people are asking about bank bailouts and you know what the government's going to do next. So, the Bank of England and the government combined have poured about 300 billion into the financial sector. And then their proping up the stock market, through the mechanisms that Stevie's outlined on one of the things the government debt at the same time was to agree to guarantee 53 billion in loans for struggling businesses. And that's mainly SMEs, that's mainly it's newer that's business you're actually producing making selling things, employing people actually contributing something to society. 30 billion of these 53 billion loans are at risk of default, in the

next six months or so. And when you worked that out as 830,000 businesses and employing millions of people. So it's not just the furlough scheme, the end of the furlough scheme that poses a threat as high as the government uses, you know, it's its monetary and fiscal stimulus in relation to businesses and banks and how the real economy is traded in a much different way from from the financial sector, what the government could do is just wipe this down, you know, we've pumped 300 billion in the financial sector in the stock market. Surely we could just wipe the debt of 30 odd billion then take a stake in the company nationalize the company, you know, provide you know hold on the company until conditions improve, then relaunch them, and provide employment for people, but I think this current crop of Tory's are particularly sociopathic. They don't really seem to give a shit about the real economy. They're totally focused on propping up the financial sector, and the stock market. And I think that the sense that I'm getting is that the, the British government are saying we've done enough for for the real economy and we wouldn't want to go any further, because it might start to look like state socialism, and it might start to look like actual, you know, state intervention and ownership on, you know, and that sort of thing like. So, I think, you know, they're indicating that they're going to let potentially let these government, these companies go to the wall, or to fight it out with the banks. And, you know, my money would be on the banks.

**Stevie O Nuallain** 1:38:32

Yeah that is important too if you leave this tonight with any fingers remember that one 300 billion for the stock market 50 billion for actual firms that employ actual people in actual communities around Britain, that's the focus of the of the Tory government. Why, you can argue that the people, the finance capital Tories beat out the industrial Tory's and that was one of one of the crises during Brexit was a crisis of the of the ruling class between those who kind of the old patrician Tories that believed in industrial capacity and production versus the kind of free marketeers, and it's the free marketeers and the short of this, the more sociopathic types that have taken over the Tory party, and that's found its way into government policy. It is far from state socialism when you consider 300 billion going into speculation and 50 billion going into businesses that employ people in our communities, that's that's sort of the big difference. We've nearly come to an end of the presentation I'll just leave with a couple of quotes. Monthly review of a while ago had a had a brilliant article about the fact that we're heading into a kind of an epochal crisis that what we're facing next 50 to 60 years isn't just another recession or depression in capitalism, this is a kind of thing is going to change the structure of the entire planet, and a crisis of an entire historical epoch is what we're looking into particularly with climate breakdown. Ecological, economic and social in this manifestation stration from recovering famine, the Black Death and describing the transition from feudalism to capitalism, and many are suggesting now in many of the

modern economists yes and we're going to be going through a similar transition over the next hundred years. The question is, is what kind of transition are we going to see? And if we can quote Rosa Luxemburg it's that old adage isn't it or socialism or barbarism. And that's really kind of where we are in a crossroads and to give you to finish on two quotes to kind of bring that to the fore. This is a headline from the again. Financial Times always read the Financial Times short it always read The Economist they tell us what they're about to do. I mean they're not hiding any of this stuff, you know, and that's the headline let that headline sink in. Has western style democracy become too expensive for capitalism. That's a headline in the mainstream paper then goes to summer 2018 we got that one. The central reason why Western democracies in decline, is that is capitalist bedfellow can no longer afford the financial demands of full blown democracy is placing upon it. History of shown that capitalism can adapt. It's nice. Consulting with a variety of political systems, apparently, in the past 5000 years well, David Graeber would fucking turn in his grave if you saw that phrase there, a 300 year old system and pretending it's 5000 years old, but the last phrase looking ahead capitalism will probably find another host. And we know the quote famous Russian that you know, fascism is capitalism in decline. So we have we're at that crossroads and our children will certainly see that crossroads emerging between socialism and barbarism but to leave on a bit of hope on the leave you our favorite quote from an American economist David Schweickart. He said, we will witness another sustained challenge to this most peculiar economic order, the challenge may not succeed the forces raised against it are immense, but it is becoming ever clear that because getting beyond capitalism is the best hope for our species that attempt will be made. We'll leave it there. Thanks. I'll stop that share now Deb.

**Deborah Hermanns** 1:41:52

Thanks so much, thank you so so so much, some really good comments in the chat I think some people got lost at some points so much information, but hopefully everyone learned a lot, and we'll give you a virtual virtual clap. I know you don't like doing this online so hopefully we can have you have you at TWT physically next year. We've got 1520 minutes left because we don't want to. We want everyone to also go and enjoy their Friday night, sorry not that this is not enjoyable and, and there were a few questions that have picked up on that I thought were really interesting and that maybe everyone might be interested in hearing an answer to. I want to give those people a chance to ask their question rather than you just listening to me. But you don't have to. If I now put the spotlight on you and you don't want to ask it that's fine as well. The first one was Carmen was asking quite a lot of stuff around growth and sustainability as wondering Carmen whether you might be interested in asking you're - making your point and asking you're question. And I hope this works and Charlie unmute you.

**Carmen** 1:42:59

Yes, I think you're a mute. Basically, I think that we need to stop thinking that an economy to work has to grow. And I think we should focus on sustainability. Because, why do we need twenty pairs of shoes, why do we need twenty pair of trousers. Why do we need you know we are working 40, 50 hours a week to buy things from we don't need and if I think of what we need, that is food that is materials to build houses to build roads, is probably only 10% of people that are engaged in those jobs, and its only those jobs and we need these what they will turn as human services, teachers, nurses, if you see physiotherapy is it doctors that are providing service that will increase our quality of life. And we don't need to work 40 hours or so 50 hours a week. We are just working those hours to keep capitalism in profit. Personally, I don't care if the stock market collapse. I don't have shares. What do I care what they want is for workers to keep their jobs. And in order to keep their jobs we need jobs done, you know, serve our needs, you know, good teachers, good doctors, good nurses. We need food on the supermarket we need, you know, a roof over our head. And, you know, if people work, 24, hours a week, better we have more time with our children's who have more time to go to the cinema to the theater. I don't want to work 40 hours to keep somebody in profit. Since 2008 to now the, you know, the one person that the money that they have accumulate has been exponetial and that is our surplus, going back to Marx's theory. That is surplus. Now how destructors pronounce that workers. So perhaps we should go back to the beginning. That's my question. So then we back to the beginning and then stop the growth. Nonsense.

**Deborah Hermanns** 1:45:06

Fair question. Thank you, Carmen and I collect a few questions for go back to you Steve and Shawn. Erm Zoey, would you be interested in asking your question which I thought was very simple and yeah, I would also like to know the answer to that.

**Zoey** 1:45:25

Thank you. Yeah. Yeah. My question was, is any country anywhere in the world - I couldn't see - doing what you were saying about basically nationalizing companies or, yeah, taking stakes in companies?

**Deborah Hermanns** 1:45:41

Thanks Zoey. Sean and Stevie, do you want to get back on those two?

**Stevie O Nuallain** 1:45:48

do you want to do those Sean, do the growth one anyway. Yeah, I agree. Well, I had a section on GDP growth and high fucking useless it is in the presentation but we took it out because I didn't think we'd have time but look I totally agree with your analysis and your perspective on that. Like, we don't need to find a different way of not only understanding but organizing the economy, I mean that's that's the objective of all of us here. The unfortunate thing on this was the point we're trying to make that a lot of people are convinced that GDP does matter, and that the performance, stock market, dose matter, I suppose part of our job is starting to deconstruct a narrative, and one of the ways I would argue to do that is you deconstruct it on capital's own terms. So you say like, Well what are your terms. This system isn't even working according to know on your terms. That's the sort of, that's the starting point that's it that's the start we proceed from there so in order to deconstruct that narrative, you have to point out that know that it doesn't work.

**Deborah Hermanns** 1:47:15

Stevie, do you want to add anything or?

**Stevie O Nuallain** 1:47:18

is he muted does he know. In terms of the other question there from Zoey about whether other countries are using this crisis as a means to perhhaps shift the balance of ownership and economy, as far as I'm aware no I mean I know they're great proposals coming out from one of i know momentum's and Labour's partners at democracy collaborative in America which is a really good kind of NGO think do tank, and they've presented papers to the Amsterdam to the Dutch to the Welsh to the Scots so I'm not sure there's one going to England as one coming to Northern Ireland, about how COVID should be used as a means to precisely do that to step into the market Sean mentioned it to preserve some companies. And then on condition. Give those companies strict conditionality for workers on the boards to launch them as worker cooperatives, with conditions that they should transfer away from using fossil fuels perhaps to renewables as part of the part of that buyout package or a part of that support package. Really good ideas, even for a capitalist economy. I mean it's the thing that's really, this is a good idea, even for a kind of Fossil Free capitalist economy, they're not doing it because the the kind of that kind of neoliberal groupthink is just embedded in so many places, you know, the very fact that I made the point that when we started that even in the labour movement even in your own party for a Labour Party member those ideas are fundamental to how people think about the economy. And then they can't think out it's kind of this mad groupthink that exists everywhere, and we've stopped thinking like socialists, so a socialist, Zoey, would say exactly what you're saying why don't we buy out some of these companies take a stake in some of these companies, get workers on the board, relaunch them as

green companies, with sustainable futures, that makes sense even in a cap- in green capitalist economy. We're not even doing that. So it no it doesn't look good. And as far as I'm if someone has examples, I'd love to hear of them, but I don't know of any usual.

**Carmen** 1:48:59

Just to say that that project or proposal or that idea is based on the actual experience of America post. Second World War. There was a I think I can't remember the name but finance reconstruction corporation or something that was established and it did precisely that it bought up stakes and companies that were struggling and relaunched them, and what you were doing in this situation is, you would buy stakes in larger enterprises that are struggling on strict conditions that they align their behaviors with a with a zero carbon pathway, and you will buy out SMEs, that are there viable but otherwise, you know, struggling due to this, this particular situation and relaunch them as green worker and community owned co ops. So you know, that's. And one of the reasons why the government isn't taking equity stakes, is buying bonds and providing loan guarantees, rather than taking equity stakes in companies, is that it wants to benefit the financial sector and the banks that works to the benefit of the financial sector and the banks. And the would look too much like socialism, to actually take stakes in companies.

**Stevie O Nuallain** 1:50:19

I mean when they took stakes in Lloyds Bank in 2008, they couldn't wait to get rid of them if you remember, I mean basically we bought out Lloyds and one of the biggest banks one of the oldest banks in the world, it couldn't wait to get rid of the get rid of the shares, and sell them back into the market, it's fundamentally just against their ideological beliefs that they, it's that obsession with private ownership. You know, and private equity.

**Deborah Hermanns** 1:50:41

Carmen just posted this in the chat and I was just thinking about this. That Spain sort of temporarily nationalized private hospitals. Then I have this vague memory but correct me if I'm wrong that actually there's a part in the UK and somewhere in England where the rail road was sort of renationalized. Is that Is that a thing I've I just made that up?

**Stevie O Nuallain** 1:51:02

I think the Tories have stepped in a number of occasions and bailed out the railways for the last three or four years because the privatization has been such a disaster. They've done it on the QT they

haven't advertised it if they can get rid of it again and back into private ownership is the first thing they'll do. Sean said that the Tories are responding to a crisis but as free marketeers, whatever they do. The end result would be, we'll be back into private property and away from the state. And one of the myths of neoliberalism was, was this myth of the small state to the Tories want to shrink the size of the state, they don't, they want to transfer the responsibility of the state so the state doesn't do anything for the people, it does it for the markets. The state is actually bigger than it was under New Labour in terms of, you know, relative to the size of its GDP. But the issue is, it's shifting the state's focus away from labor to capital. That's the job of the state now that's the job of the state is simply to support capital, and particularly finance capital, as opposed to productive industrial capital,

**Carmen** 1:51:55

just to address the Spanish experience and it happened in Ireland as well. What what actually happened was they requisition the hospitals, which was different from taking them over or nationalizing them. So they requisition them, and they paid the private operators, a handsome fee to rent those hospitals for a set period of time, they didn't actually take them over they were back into private hands once they weren't needed anymore. And the private operators made a massive amount on top of what the, what have ordinarily earned.

**Deborah Hermanns** 1:52:36

I've been corrected many times in the chat as well so thanks guys that is helpful. I'm going to do one more round of questions and sort of move the topic of conversation on a little bit. I want to first go to Rachel who asked the question quite a while ago in the chat and Charlie, could you unmute Rachel. She's still there.

**Rachel** 1:53:12

Sorry my internet connection went really bad. Could you just repeat what you've what you've asked me to say, yeah, both of you just posted quite an interesting questions chat and I was just wondering whether you wanted to come in. Comment, ask your question.

1:53:25

Thank you, which question was that, I think I have a couple

**Deborah Hermanns** 1:53:27

haha we're trying this out for the first time, and you're asking about I mean I will just ask it for you, erm what we can do in practical terms and basically like what we should be demanding now. But I don't know if you want to add anything to that. No, erm it's really really helpful. And

**Charlie** 1:53:51

I think that's the question asked Debs.

**Deborah Hermanns** 1:53:53

Fair enough. Thank you, Rachel, and then Gaia are use still with us? You asked a question ages ago that a few people said they wanted to hear the answer to.

**Gaia** 1:54:05

Hi there, yeah actually asked a very similar question to Rachel. So, um, yeah it was just about the yeah what demands we should be making and I think some of the reflections from Steven and Sean are like, kind of touching on that. I mean you're talking about the kind of proposals that have been put forward to the Dutch and the Scottish and the Welsh. And these ideas, and those are sort of like happening. A little bit not not beyond behind the scenes but maybe activists on the ground don't know about it. Are these the kinds of things that like, what are the sort of like elements of demands that we should be making. You also mentioned, you know this idea that the GDP ideal, like it was it was like a false benchmark. What kind of benchmark should we be promoting and demanding that the economy be measured against then and how can we bring this into. I guess into activist terminology, to practice.

**Stevie O Nuallain** 1:55:05

Yeah, one of the tragedies of of this period is that the the answers are there. I mean there are really good people working on really good policies and really good ideas that that can work that do work I mean, some of the policies and ideas are based on kind of an idea of building utopias now and building the future now there are pockets of really interesting alternative economics alternative economies emerging really good ideas, I mean the Commonwealth and Scotland Commonwealth neon all these great organizations in Britain are doing great policy work. And the problem is we met had this debate with Deborah the other day, the problem is too many of those ideas stay in those institutions and don't get out into communities, and that's that gap that's that disconnect between political economy alternative economics, and the communities that we come from, that no one's going out and talking about these issues. The other issue is, even if you have, as you did if you're a Labour Party member, a really decent manifesto with loads of really good ideas that seemed to be opening a door to a different

kind of sustainable future. You have to win power. You know, there's no point making demands of the Tories fuck them, they're not going to give us anything there I mean the particular crop of Tories that exist in that are the most radical free marketeers the Keynesian, they're not. The kind of Haeykian Tories if you like they're way beyond where even Thatcher dared to go, they're not going to give us anything they have to be, or you you have to put them out of power. Absolutely and that the question then is both causes How do you build power. And I'll go back to the first point we made. Part of that is political education and communities and winning people, winning people over to thinking differently about the world they live in. And that's not easy that's long hard slog work that doesn't happen within electoral cycles either by the way.

**Deborah Hermanns** 1:56:41

Can you just elaborate a little bit on how you guys do that work in Northern Ireland, or how you try and do that work.

**Stevie O Nuallain** 1:56:48

We - we were lucky that we had a vehicle of the right to war campaign, in the sense of there were there were enough angry people around the country that we just literally had to pick up a phone and say look, we're going to come down and give you a session on political economy, about why water utilities should be publicly owned and not privatized, and we would walk into a pub and there'd be 100 people packed into it. And we'd set up a PowerPoint and we lucky we've done here tonight, we'd sit and talk to them and convince them and we have man that we recruited then from that group of 100 maybe like 10 of the leaders organic leaders work people in a village or that comunity and we invited them up to Dublin for a three day intensive political course on political economy and socialist ideas, and then sent in the back into those communities. And we had the ability to do that again and again and again and again. And that's what we need to do.

**Sean Byers** 1:57:32

Just to add to that. You start from the issue that people are concerned with what you know what, what is effecting their everyday lives so if it's water privatizations The closing of a GP surgery, it's housing. You know its environment we're working with a group in Tyrone here, in the north of Ireland, here campaigning against the gold mine, in their community. And so, the obvious point is to start from there, you don't start with the big picture. Start with the concerns that matter to them. Start, start with the things that are affecting them directly in the here on the now, and then you integrate that in this systemic analysis you integrate that into the big, bigger picture. Now how does that fit into the bigger,

bigger picture how does that fit in the national European international agenda. And then what you have is you have a critique of of capitalism, but you're proceeding from, from, you know, reality on the ground. With us that's the point its to be engaging with people in the communities that are there campaigning there's countless campaigns ongoing across Britain and Ireland. Now it's not to say we can do all of that work but you know we could, we could make a stab of getting getting in and doing some of it.

**Deborah Hermanns** 1:58:59

I want to talk to you like last questions we'll do them really quickly. The first one, Lorcen do you want to come in, I've seen you make quite a few points, and ask questions.

**Lorcen** 1:59:14

Yeah, I was just I was wondering you know how committed are your is your union leadership to funding this kind of work? And, and other unions and stuff, I mean like, it doesn't seem, it's a little bit about, I don't see much of it in my union. So yeah, that's my question.

**Stevie O Nuallain** 1:59:32

I just answered you on the chat a lot and I just I just saw it come up, but I'll give it to everyone else as well. I mean our union UNITE is better than most, but that that's maybe bias because we're in it and we have more experience of it but UNITE brought us over to Durham UNITE's political school in 2016 and we were there every year since and from that we've been working in nearly all the regions of England bits of Scotland. Working with UNITE political offices and education offices and delivering three or four or five day even political education, political economy courses, not for their officials, who needed by the way just to that point in, but for members and their key reps. So UNITE have been really good and Danny Freeman, particularly in London, who is the Education Officer in kind of like London southeast region and he's had us over either a dozen times in the last two or three years working with reps you know in Ruskin College down in London, and other political offices so they're really good. And I don't know enough about the other British-based unions to say what they're doing on this in this regard. From my experience, not very much. I hope someone corrects me but from what I can find not very much.

**Sean Byers** 2:00:35

Just, just to be fair I think that CWU and RMT seem to be curious about political education, as far as I can tell, from my experience of them. In Ireland it's...non existent. There's a handful of people doing political education, in the union movement, in Ireland and some are doing serious political education.

So it's a bit of a struggle. Although it's it was heartening to say you know from our Union's perspective, you know, Len McCluskey has made positive noises and in the last year. I haven't seen a hardback has made a big play for, you know, that on the need for for political education on the need for left media and so on, like, so it'll be interesting to see whether you know what comes through with some support for that but what Stevie says we have got support for from officials within, within the unite for for that type of work to be fertile.

**Stevie O Nuallain** 2:01:38

One of the biggest problems Lorcan was that years ago decades now the union, kind of went into an agreement, kind of, with mess Mephistopheles and agreement with the government to pay for union education and that set up all these colleges all around Britain that we trade union centers, some of them did really good work. But slowly over time they became almost like FE's. It was about skills based learning it was about pre distribution making yourself more sellable in the market. And there was a, it just drifted out this idea of building a collective working class militant movement which is what really what we need, but that seemed to become something that just didn't exist and in terms of Economics and Political Economy, you know, it was almost absent, you know, and that's and I'm not sure that's back yet. I mean, for joining the union movement 40 years ago your first class would have been on political economy. How does the world work where's my position in it, what are my material interests, you know, that just doesn't exist in the places as it should do anymore and, again, I'll repeat the point I made earlier that's part of the kind of colonization of institutions throughout Europe by those neoliberal ideas, which we have to first deconstruct, before we can even reconstruct socialist ones. It's like a double challenge nearly.

**Deborah Hermanns** 2:02:44

Quite a few people in the chat that that was a lot to take in and I really want to do follow up reading or go to a cause or

**Stevie O Nuallain** 2:02:52

Yeah I'll put into the chat there Deborah there's I put in a link to our - we do Trademark Belfast podcast and on a lot of them podcasts that are quite detailed bibliographies as well. Like if you click on to the end of this there's, I mean there's dozens and dozens of books and articles, and websites and and a good introductory stuff as well you know for people who might want to just kind of grapple with what a collateralized debt obligation is or what the guilt market is or the bond market is and why it's important

to people. So if you go into our podcasts and listen to the podcast, obviously. But there's great bibliography there's good bibliographies on it on it as well.

**Deborah Hermanns** 2:03:27

So that's good. And I think there are some other sessions in the program. There is a sort of capitalism, one on one course with Jeremy Gilbert as well that still has to go. So that might be a good sort of next step. And I want to thank everyone for coming. I want to thank Stevie and Sean, thanks so much for joining us, it was super super interesting and credit to you that so many people join on a Friday night. And just to say just a few really quick announcements, please do check out the forum, the community forum which has been set up just for the festival. And basically it's a way it's a place to have discussions with other festival attendees and sort of get that feeling of like being together and and networking and linking up and meeting new people. And also remember there are loads of other events at TWT20 we've literally only just got started. So go on the website, make sure you registered, a lot of them are filling up very very fast. And finally, our plea. If you enjoyed the session and would like to help us sustain our work, please please please consider supporting us at [theworldtransformed.org/support](https://theworldtransformed.org/support). And I think, Charlie has been in the background doing tech the whole time asked whether he could promote one specific session so I'll give him the floor to do that. It better be good Charlie.

2:04:48

Well, I was just gonna say thanks Deborah thanks guys that was amazing. I was gonna say that one of you is on another session at the end of the festival about political education strategy. I've just had a look for that, so I didn't actually promote it too much but if any of you are already on it. Or if we haven't find a way to increase that, I will. I'm right in saying that aren't I Stevie. Yep. Yep.

2:05:16

Yeah, thanks Shawn All right.

**Deborah Hermanns** 2:05:19

On that night to the pub. Oh, wait, wait a minute, wait a minute. I'm gonna go to the pub.

2:05:30

Yeah, me too.

**Deborah Hermanns** 2:05:35

I can unmute everyone if they want to say

2:05:55

this deepest read extra bit off. Mom Mom or Dad, I know they're not true Stephen Cole, their hearts  
blood die sob story the sky. Standard Hi,

**Sean Byers** 2:06:12

Shane.

2:06:18

Lynch. Honey traitors snare. We keep her at

**Sean Byers** 2:06:24

play on a

2:06:32

run the French man loves that. Bless this 30 foot spray is in Moscow's vaults. It's him the song. Chicago  
swells. It's surging around the sky.

**Sean Byers** 2:06:53

And it's sheared. We

2:06:57

know it's much common thread.

2:07:01

We keep the rod

**Sean Byers** 2:07:03

by a ball

2:07:14

mics. When I had seen cousin nights, and that's what nuts many didn't. We mustn't change its color or  
at the sky

**Sean Byers** 2:07:31

high. We live.

2:07:36

It's much better stare. We'll keep the rat.

**Sean Byers** 2:07:42

Bye.

2:08:28

Well recalls.

2:08:31

It gives us hope.

2:08:36

The symbol breaks the message plain, human rights,

2:08:42

human gain soaring the sky. Within a

2:08:53

lunch

2:08:55

or stare will keep her at

**Sean Byers** 2:08:59

plan. We all fall

2:09:15

dungeons dark or gallows grim. This song will be our parting saurez the sky style

**Sean Byers** 2:09:27

shed. We live in

2:09:33

creators

**Sean Byers** 2:09:35

wiki. Bye.

**Deborah Hermanns** 2:10:18

Thanks everyone. If you, if you want to someone just asked about joining go if you go on the website. You should have received a, an email about joining the forum. So, search for emails to the beauty community forum. But if not, I will just post the instructions. Okay. All right. Bye guys.

2:11:09

See you later.